My Account

FitchRatings

RATING ACTION COMMENTARY

Fitch Affirms Bayfront VII's Class A Notes at 'AAAsf'; Outlook Stable

Thu 05 Nov, 2026 - 3:17 AM ET

Fitch Ratings - Hong Kong - 05 Nov 2026: Fitch Ratings has affirmed Bayfront IABS VII Pte. Ltd.'s (Bayfront VII) class A note rating at 'AAAsf' with a Stable Outlook.

RATING ACTIONS

ENTITY / DEBT	RATING TYPE	RATING	RATING ACTION	PRIOR
Bayfront IABS VII Pte. Ltd.				
A XS3200746496	LT	AAAsf Rating Outlook Stable	Affirmed	AAAsf Rating Outlook Stable

VIEW ADDITIONAL RATING DETAILS

TRANSACTION SUMMARY

Bayfront VII is a securitisation of a portfolio of project finance and corporate infrastructure loans and bonds. The transaction is managed by Clifford Capital Markets Pte. Ltd. and has a three-year non-call period and three-year replenishment period, both ending in October 2028.

KEY RATING DRIVERS

Stable Asset Quality and Shorter WAL: The portfolio composition was largely unchanged from closing to end-September 2026, with three asset prepayments and no replenishments. The portfolio's weighted-average rating factor (WARF) was 11.2, broadly stable compared with 10.6 at closing. Fitch expects the WARF to remain near this level until the replenishment period ends in October 2028. The portfolio is likely to remain largely static because the collateral manager has limited replenishment rights. The portfolio's weighted-average life (WAL) shortened to 4.9 years from 5.4 years at closing.

Revised Recovery Rates Reflect Generic Assumptions: The portfolio's weighted-average recovery rate (WARR) is 71.5% in the 'BBsf' rating case, up from 66.7% at closing. The increase mainly reflects Fitch's revised recovery approach under the updated CLOs and Corporate CDOs Rating Criteria. The approach uses generic recovery assumptions based on historical observations for project finance and corporate infrastructure assets. The assumptions vary by asset seniority and security. Fitch previously applied generic assumptions to project finance assets and Recovery Ratings to corporate infrastructure assets in the initial rating analysis.

Increased Concentration Risk Captured by the OCU: The three largest industries represent 52.5% of the current portfolio balance, broadly stable compared with 51.6% at closing. The portfolio has 41 distinct obligors. The five-largest obligors rose to 25.2% of the portfolio balance, from 23.5% at closing. Fitch applied an obligor concentration uplift (OCU) stress to the default correlation of the four largest assets in this review, compared with the three largest at closing. This reflects the increased obligor concentration risk since closing.

The portfolio remains highly diversified geographically, with assets across 17 countries of risk. The five-largest country exposures represent 58.6% of the portfolio, broadly unchanged from 57.7% at closing.

Asset Amortisation and Prepayments Increase CE: Scheduled principal and prepayment proceeds have paid down the notes sequentially since closing. The class X notes were paid in full on the April 2026 payment date. The class A note balance has declined to USD433.4 million from USD476.8 million at closing. Class A credit enhancement (CE) increased to 32.7% from 30.0% at closing.

Middle East Risks Mitigated by Project-Level Features: Exposure to Gulf Cooperation Council (GCC) countries remains material at 27.2% of the portfolio and is concentrated in Saudi Arabia, Qatar, the UAE and Kuwait. The US-Iran conflict raises the risks of operational interruption and revenue disruption for affected project finance assets. However, contractual and structural protections at the project level substantially mitigate these risks.

These include political force majeure provisions in government-linked offtake agreements, political violence and terrorism insurance and termination compensation mechanisms designed to repay senior debt after prolonged disruption.

Shorter Risk Horizon Reduces Expected Swap Loss: Assets with cross-currency or interest-rate swaps represent 10.4% of the current portfolio, reduced from 11.5% at closing, and remain hedged through swaps that are not balance-guaranteed. If a loan defaults, the related swap may become overhedged and is likely to be terminated. This could result in break costs, depending on prevailing interest rates or currency movements.

Subordinated notes can be issued to Clifford Capital Holdings Pte. Ltd. (AAA/Stable) and its affiliates during the transaction's life to cover termination payments due to hedge providers in certain circumstances. Cumulative issuance is capped at USD28.2 million. The commitment remains sufficient to cover Fitch's stressed termination loss because outstanding hedge exposure has declined and asset tenors have shortened since closing.

Criteria Variations Reflect Portfolio and Asset Characteristics: Fitch continues to apply a variation from the Structured Finance and Covered Bonds Country Risk Rating Criteria. Under the variation, Fitch uses an alternative country coverage matrix approach instead of a hard rating cap to assess the transaction's country risk. This reflects the portfolio's geographic diversification.

Fitch also continues to apply variations from the CLOs and Corporate CDOs Rating Criteria to reflect the infrastructure assets' characteristics and historical default and recovery performance. The variations remove the correlation uplift for emerging market assets, tailor the OCU's scope and apply infrastructure-specific recovery assumptions by asset type, seniority and security.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

Downgrades may occur if the loss expectation is larger than assumed due to unexpectedly high levels of defaults and/or low levels of recovery. Fitch conducts sensitivity analysis by assuming an increase in the mean default rate (RDR) and/or decrease in the recovery rate (RRR) of the initial portfolio.

Note: Class A

Rating: AAAsf

25% increase in mean RDR: AAAsf

50% increase in mean RDR: AA+sf

25% decrease in RRR: AA+sf

50% decrease in RRR: AAsf

25% increase in mean RDR and 25% decrease in RRR: AA+sf

50% increase in mean RDR and 50% decrease in RRR: AA-sf

Fitch's assessment that the performance of the portfolio's Middle East exposures will remain stable relies on the capacity and willingness of sovereign-linked offtakers and insurers to honour their obligations. A materially prolonged conflict, payment disruption by offtakers, insurance exclusions, claim delays or weaker sovereign fiscal capacity could weaken project-level mitigants. Fitch believes risks to some issuer ratings in GCC countries could rise under a hypothetical scenario in which traffic through the Strait of Hormuz is disrupted for most of 2027.

Fitch's sensitivity analysis indicates that the class A notes' rating can withstand a moderate deterioration in the credit quality of the GCC assets. The sensitivity reflects a potential weakening of project-level mitigants and deterioration in revenue prospects and the operating environment.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

The class A notes are rated at the highest level on Fitch's rating scale and cannot be upgraded.

CRITERIA VARIATION

One variation from Structured Finance and Covered Bonds Country Risk Rating Criteria and three variations from CLOs and Corporate CDOs Rating Criteria as described under Key Rating Drivers.

USE OF THIRD PARTY DUE DILIGENCE PURSUANT TO SEC RULE 17G -10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to this rating action.

DATA ADEQUACY

Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pool and the transaction. Fitch has not reviewed the results of any third-party assessment of the asset portfolio information or conducted a review of origination files as part of its ongoing monitoring.

The majority of the underlying assets or risk-presenting entities have ratings or credit opinions from Fitch and/or other Nationally Recognised Statistical Rating Organisations and/or European Securities and Markets Authority-registered rating agencies. Fitch has relied on the practices of the relevant groups within Fitch and/or other rating agencies to assess the asset portfolio information or information on the risk-presenting entities.

Overall, and together with any assumptions referred to above, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

The issuer has informed Fitch that not all relevant underlying information used in the analysis of the rated notes is public.

ESG CONSIDERATIONS

Fitch does not provide ESG relevance scores for Bayfront VII.

In cases where Fitch does not provide ESG relevance scores in connection with the credit rating of a transaction, programme, instrument or issuer, Fitch will disclose any ESG factor that is a key rating driver in the key rating drivers section of the relevant rating action commentary. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products

FITCH RATINGS ANALYSTS

Jason Chiu
Director
Surveillance Rating Analyst
+852 2263 9959
jason.chiu@fitchratings.com
Fitch (Hong Kong) Limited
19/F Man Yee Building 60-68 Des Voeux Road Central Hong Kong

Tracy Wan
Senior Director
Committee Chairperson
+86 10 5957 0988
tracy.wan@fitchratings.com

MEDIA CONTACTS

Vivian Kam
Hong Kong
+852 2263 9612
vivian.kam@thefitchgroup.com

Leslie Tan
Singapore
+65 6796 7234
leslie.tan@thefitchgroup.com

Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

Foreign-Currency Stress Assumptions for Residual Foreign-Exchange Exposures in Covered Bonds and Structured Finance - Supplementary Data File (pub. 01 Aug 2025)

Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub. 24 Oct 2025)

Global Structured Finance Rating Criteria (pub. 05 Dec 2025) (including rating assumption sensitivity)

Single- and Multi-Name Credit-Linked Notes Rating Criteria (pub. 05 Mar 2026) (including rating assumption sensitivity)

CLOs and Corporate CDOs Rating Criteria (pub. 01 Jun 2026) (including rating assumption

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Global CLO Cash Flow Model, v1.3.9 (1)

Portfolio Credit Model, v2.17.5 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Bayfront IABS VII Pte. Ltd.	EU Endorsed, UK Endorsed

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: https://www.fitchratings.com/understandingcreditratings. In addition, the following https://www.fitchratings.com/rating-definitions-document details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at https://www.fitchratings.com/site/regulatory. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third- party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in

accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see Best- and Worst-Case Measures under the Rating Performance page on Fitch's website.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US$1,000 to US$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US$10,000 to US$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws,

the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see https://www.fitchratings.com/site/regulatory), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Copyright © 2026 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.

READ LESS

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

Fitch's solicitation status policy can be found at www.fitchratings.com/ethics.

ENDORSEMENT POLICY

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU Regulation or the UK Regulation, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on

Fitch's Regulatory Affairs page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.